

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

)	
In the Matter of the Application of)	
PACIFICORP AND)	DOCKET UE-981627
SCOTTISH POWER PLC)	
)	SEVENTH SUPPLEMENTAL
for an Order (1) Disclaiming)	ORDER GRANTING
Jurisdiction or, in the Alternative,)	MOTION; MODIFYING
Authorizing the Acquisition of Control)	FIFTH SUPPLEMENTAL
of PacifiCorp by Scottish Power and (2))	ORDER
Affirming Compliance with RCW)	
80.08.040 for PacifiCorp's Issuance of)	
Stock in Connection with the)	
Transaction)	
.....)	

Synopsis: In this order the Commission grants a motion by PacifiCorp to modify a condition of Commission approval to the merger of PacifiCorp with Scottish Power. The requirement that the company answer 80% of calls to its business office within ten seconds beginning January 1, 2002, is deleted. The Company must continue to meet the current requirement, answering 80% of such calls within 20 seconds.

Procedure: The Commission convened a hearing to address PaCifiCorp's motion on December 12, 2001, during its open public meeting pursuant to proper notice. Appearances were entered on behalf of the Commission Staff, by Robert D. Cedarbaum, Assistant Attorney General, Olympia, Simon fittch, Assistant Attorney General, Seattle, and on behalf of PacifiCorp James C. Paine, from Stoel Rives L.L.P.

BACKGROUND

- 1 On October 14, 1999, the Commission entered the Fifth Supplemental Order in this docket, granting the joint application of PacifiCorp (Company) and Scottish Power to effect the December 6, 1998, Agreement and Plan of Merger of the Joint Applicants. In the Order, the Commission adopted a number of conditions to granting the application, including implementation of a number of Performance Standards and Customer Guarantees.
- 2 Customer Service Performance Standard 6 (PS6) addresses response times for PacifiCorp Business Center incoming telephone calls. PS6 established that within 120 days after completion of the merger, 80 percent of calls to PacifiCorp's Business Centers must be answered within 30 seconds. This target would be increased to 80

percent within 20 seconds by January 1, 2001, and 80 percent within 10 seconds by January 1, 2002.

3 PacifiCorp surpassed the 80-percent-in-30-seconds (“80/30”) target during the first year following the merger. The 80-percent-in-20-seconds (“80/20”) target took effect January 1, 2001, and is being met. By motion filed on October 16, 2001, PacifiCorp seeks to amend the Fifth Supplemental Order by eliminating the 80-percent-in-10-seconds (“80/10”) target that was intended to go into effect January 1, 2002.

4 In its motion, the Company stated that, while technological improvements over the past few years have allowed the Company to improve work-queue-management, these improvements do not offset the unanticipated increase in the volume and complexity of calls received by the Company’s Business Centers. The increase has been caused by an energy environment with tight energy supplies, volatile energy markets, and an increase in the number of programs offered (e.g. Customer Energy Challenge, increased interest in demand-side-management programs, etc.). In addition, the Company states that its representatives work to resolve the customers’ concerns on the first call, thus potentially lengthening the duration of calls.

5 The Company also presented certain documentation in support of its motion, which has been admitted into the record in this proceeding. First, PacifiCorp presented the results of its “pulse” research. The “pulse” research is a monthly telephone survey of 200 randomly selected customers throughout the Company’s service territory. The “pulse” research shows that customer satisfaction with call center wait times reached the level of “very satisfied” for 70.4 percent of the customers in 2000 with the 80/30 standard. Through August 2001, 70.2 percent of the customers were “very satisfied” with wait times, although the standard was raised to 80/20 effective January 1, 2001. While performance has improved in 2001, customer satisfaction has remained stable.

6 The Company also provided a Residential Focus Group Research Report that summarizes the results of focus groups conducted in December 18-20, 2000, in Oregon and Utah. This report, which has been included in the record in this proceeding, indicates that the goal of answering 80 percent of calls within 10 seconds is not particularly important to customers. Customers in the focus groups questioned whether the quality of service would suffer in the haste to answer calls, and they reported that 80/10 would not increase their level of satisfaction.

7 The Company provided preliminary benchmarking data from the Edison Electric Institute’s 2001 Call Center Benchmarking Study, which showed that no electric utility in the U.S. has a target of less than 20 seconds within which to answer calls during the year 2000. The study showed that PacifiCorp answered 86% of calls within 20 seconds. The average service level performance for the 50 utilities surveyed was 71.9% of calls answered in 34.4 seconds. The study shows that PacifiCorp’s average speed of answer for all calls (including Interactive Voice

Response and customer representatives) was 13.8 seconds for year 2000. The average for the 50 utilities surveyed was 50.4 seconds.

- 8 The Company's motion was presented at hearing pursuant to RCW 80.04.210 on December 12, 2001. Commission Staff appeared at the hearing and recommended approval of the Company's motion. Public Counsel concurred with Staff's recommendation.

CONCLUSIONS

- 9 For the reasons set forth in the Company's motion and based on the evidence of record, PacifiCorp's standard of 80/20 is reasonable and consistent with the public interest. The Order's 10-second answering time target would not necessarily lead to better service and/or to increased customer satisfaction. The Company's motion should, therefore, be granted.

ORDER

- 10 The Motion to Amend Fifth Supplemental Order Accepting Stipulations, Approving Transaction, and Granting Securities Issuance Exemption is hereby granted to delete the requirement the Company answer 80 percent of calls to its business office within ten seconds, beginning January 1, 2002.
- 11 The Commission retains jurisdiction to ensure that the provisions of this and prior orders entered in this docket are fulfilled.

DATED at Olympia, Washington, and effective this 12th day of December, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

PATRICK J. OSHIE, Commissioner